

Africa en vogue

 By [Nicci Botha](#)

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Africa is certainly the next big thing when it comes to trading partners for the US, and the recent reauthorisation of the African Growth and Opportunity Act (AGOA) for another 10 years has just made it even hotter...



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The US Senate's stamp of approval on the Act will ensure continued favoured access to the American market for sub-Saharan African (SSA) goods, which is set to quadruple exports and create ½-million jobs on the subcontinent in the next decade.

The AGOA renewal will also add a potential US\$480-million in savings for African exporters to the US in the future.

What does this mean for textiles and apparel?

"Textiles and apparel attract the highest duty. A total of 43% of all tariffs collected by the US Customs and Border Protection (CBP) agency comes from this sector. AGOA provides duty-free access to the US market and this stimulates the source country's economy and creates jobs," said Gail Strickler, Assistant US Trade Representative for Textiles and Apparel, at a Source Africa Textile, Apparel and Footwear Trade Event business seminar held at the CTICC in Cape Town.

She corrected the myth held by many potential AGOA beneficiaries that all components of their product must come from the country of origin.

"The only thing that matters is where the garment is made, not where the buttons come from," Strickler explained.

Joining the links in the chain

A fast-growing population, low production costs and the good supply of raw materials such as cotton are what makes SSA

so popular as a source of clothes and shoes for the US.

Plus, in a consumer-driven market where social issues are a high priority, the region is not tainted with the stigma of sweat shop labour practices, said Janet Labuda, Vice President: Global Compliance with freight forwarder, Vandegrift Inc.

"The shift from Asia as a major textile and apparel supplier is simple. They are just becoming too expensive. Research shows that of the top five sourcing bases for apparel through 2050, Africa is set to become the largest," she explained.

But the continent is not without its challenges, particularly when it comes to logistics and the supply chain. These barriers include:

- The lack of regional interconnectivity
- Poor road and rail infrastructure
- Not enough ports and high congestion rates
- Container shipping costs
- Inadequate cargo tracking systems

Sourcing apparel from SSA makes sense

"When it comes to brand equity it shouldn't be a race to the bottom. Africa is not associated with social and environmental issues such as child labour, which is important to consumers," said Rosa Whitaker, Founder and CEO: The Whitaker Group, who is an ardent proponent of doing business with Africa and one of the architects of AGOA.

And she is not willing to stop with the renewal of the Act; she wants to take it even further.

"We should not be satisfied with the reauthorisation of AGOA, but should be looking at Africa as future consumers, as well as offering tax incentives and the repatriation of profits to suppliers," she said.

Whitaker also sees huge potential in vertical integration and believes that the sub-continent can become a fibre-to-fashion partner to the global market.

Africa is very much in fashion as a US trading partner and the renewal of AGOA, which offers significant incentives to the sub-continent to open up trade with the US and stimulate local economies, seems to reiterate this commitment. There's just the logistics problem to sort out.

The business seminar was part of Day 2 at Source Africa, the African Textile, Apparel and Footwear Trade Event taking place at the CTICC, Cape Town, from 9 to 11 June 2015. Source Africa is a showcase for African producers to illustrate their abilities to compete on price, quality, and standards to buyers from the US, Canada, Europe and Asia. For more information, visit www.sourceafrica.co.za.

ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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